ABSTRACT

This study aims to examine the effect of institutional ownership and ESG committee on firm value with carbon emission disclosure as a mediating variable in energy sector companies listed on the Indonesia Stock Exchange during the 2022–2024 period. The study was conducted to investigate the role of corporate governance mechanisms and carbon emission disclosure in enhancing firm value.

This research employs a quantitative approach using secondary data obtained from annual reports and sustainability reports. The sample was selected using the purposive sampling method. Institutional ownership was measured by the percentage of institutional shareholdings, the ESG committee was measured using a dummy variable, carbon emission disclosure was measured using the index developed by Choi et al. (2013), and firm value was measured using Tobin's Q. Data analysis was conducted using panel data regression with EViews 12 software, while the mediating effect was tested using the sobel test.

The results indicate that institutional ownership and ESG committee have no effect on carbon emission disclosure and firm value. Carbon emission disclosure has a positive effect on firm value. Furthermore, carbon emission disclosure is unable to mediate the effect of institutional ownership and ESG committee on firm value. These findings suggest that the market places greater value on the transparency of carbon emission disclosure than on formal sustainability governance mechanisms.

Keywords*: Institutional Ownership, ESG Committee, Carbon Emission Disclosure, Firm Value, Energy Sector.*